

**SUMMARY:** In this document the Federal Communications Commission (Commission) released a *Report and Order* which revised the Commission's Form 477 collection to include data on deployment of fixed and mobile broadband networks and mobile voice networks, as well as company identification and emergency contact information. The Report and Order also made a number of targeted changes to the collection of subscription data to reduce reporting burdens and improve the quality and usefulness of data collected through the Form 477.

**DATES:** Sections 1.7001, 1.7002, 43.01 and 43.11, published at 78 FR 49126, were approved by the OMB on June 4, 2014 (OMB Control Number 3060-0816). Accordingly, the amendments to those sections published at 78 FR 49126, Aug. 13, 2013, are effective June 26, 2014.

**FOR FURTHER INFORMATION CONTACT:** Chelsea Fallon, Wireline Competition Bureau, (202) 418-7991 or [chelsea.fallon@fcc.gov](mailto:chelsea.fallon@fcc.gov).

**SUPPLEMENTARY INFORMATION:** The Report and Order stated that the changes to §§ 1.7001, 1.7002, 43.01 and 43.11 of the Commission's rules, which contain information collection requirements, would be effective upon announcement in the **Federal Register** of OMB approval. On June 4, 2014, OMB approved the information collection requirement contained in the Report and Order pursuant to OMB Control Number: 3060-0816, Local Telephone Competition and Broadband Reporting, FCC Form 477. Accordingly, the information collection requirements contained in the Report and Order are effective June 26, 2014. The expiration date for the information collection is June 30, 2017. The Commission will announce, in a separate notice, the due date by which respondents must submit the required data.

Pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3520, an agency may not conduct or sponsor a collection of information unless it displays a currently valid control number. Notwithstanding any other provisions of law, no person shall be subject to any penalty for failing to comply with the collection of information subject to the Paperwork Reduction Act that does not display a valid control number. Questions concerning this information collection, 3060-1196, should be directed to Leslie F. Smith, Federal Communications Commission at (202) 418-0217 or [leslie.smith@fcc.gov](mailto:leslie.smith@fcc.gov).

The total annual reporting burdens and costs for the respondents are as follows:

*OMB Control Number:* 3060-0816.

*OMB Approval Date:* June 4, 2014.

*OMB Expiration Date:* June 30, 2017.

*Title:* Local Telephone Competition and Broadband Reporting, FCC Form 477.

*Form Number:* FCC Form 477.

*Respondents:* Business or other for-profit entities; not-for-profit institutions; and State, local or tribal governments.

*Number of Respondents and Responses:* 2,002 respondents; 4,004 responses.

*Estimated Time Per Response:* 387 hours.

*Frequency of Response:* Semi-annual reporting requirement.

*Obligation to Respond:* Mandatory. Statutory authority for this information collection is contained in 47 U.S.C. 4(i), 201, 218-220, 251-252, 271, 303(r), 332, and 403 of the Communications Act of 1934, as amended and section 706 of the Telecommunications Act of 1996, as amended, codified in section 1302 of the Broadband Data Improvement Act, 47 U.S.C. 1302.

*Total Annual Burden:* 1,549,548 hours.

*Total Annual Cost:* None.

*Nature and Extent of Confidentiality:* The Commission will continue to allow respondents to certify on the submission interface that some subscribership data contained in that submission are privileged or confidential commercial or financial information and that disclosure of such information would likely cause substantial harm to the competitive position of the entity making the submission. If the Commission receives a request for, or proposes to disclose such information, the respondent would be required to show, pursuant to Commission rules for withholding from public inspection information submitted to the Commission, that the information in question is entitled to confidential treatment. We will retain our current policies and procedures regarding the protection of submitted FCC Form 477 data subject to confidential treatment, including the use of only non-company specific aggregates of subscribership data in our published reports. Most of the broadband deployment data to be collected on Form 477 as a result of modifications will be made publicly available. NTIA currently publishes similar data on the National Broadband Map Web site at [www.broadbandmap.gov](http://www.broadbandmap.gov). The Commission will coordinate with NTIA to continue the publication of the National Broadband Map using the data

to be collected through modifications to Form 477. The one exception is that mobile broadband and voice providers can request confidential treatment of their deployment data by spectrum band.

*Needs and Uses:* FCC Form 477 gathers information on the development of local telephone competition, including telephone services and interconnected Voice over Internet Protocol (VoIP) services, and on the deployment of broadband Internet access services. FCC staff use the information to advise the Commission about the efficacy of its rules and policies adopted to implement the Telecommunications Act of 1996. The data are necessary to evaluate the status of local telecommunications competition and broadband deployment.

Federal Communications Commission.

**Marlene H. Dortch,**

*Secretary.*

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## FEDERAL COMMUNICATIONS COMMISSION

### 47 CFR Part 36

[CC Docket No. 80-286; FCC 14-91]

#### Jurisdictional Separations Process

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** In this document, the Federal Communications Commission (Commission) extends the freeze of jurisdictional separations category relationships and cost allocation factors in the Commission's rules for three years, through June 30, 2017.

**DATES:** This final rule is effective on June 26, 2014.

**FOR FURTHER INFORMATION CONTACT:** Greg Haledjian, Wireline Competition Bureau, Pricing Policy Division, (202) 418-1520 or [gregory.haledjian@fcc.gov](mailto:gregory.haledjian@fcc.gov).

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Report and Order in CC Docket No. 80-286, adopted on June 12, 2014 and released on June 13, 2014. The full text of this document is available for public inspection during regular business hours in the Commission's Reference Center, 445 12th Street SW., Room CY-A257, Washington, DC, 20554. The full text of this document may be downloaded at the following Internet address: <http://www.fcc.gov/documents>. The complete text may be purchased

from Best Copy and Printing, Inc., 445 12th Street SW., Room CY-B402, Washington DC, 20554. To request alternative formats for persons with disabilities (e.g., accessible format documents, sign language, interpreters, CARTS, etc.), send an email to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Commission's Consumer and Governmental Affairs Bureau at (202) 418-0530 or (202) 418-0432 (TTY).

## I. Introduction

1. This Report and Order (Order) extends, through June 30, 2017, the existing freeze of the Federal Communications Commission's (Commission) rules regarding jurisdictional separations. Specifically, the Commission extends the existing freeze of Part 36 category relationships and jurisdictional cost allocation factors.

## II. Background

2. Jurisdictional separations is the process by which incumbent LECs apportion regulated costs between the intrastate and interstate jurisdictions. Incumbent LECs record their costs pursuant to part 32 of the Commission's regulations. These costs are then divided between regulated and unregulated costs pursuant to Part 64 of the Commission's regulations. Incumbent LECs then perform the jurisdictional separations process pursuant to part 36 of the Commission's rules.

3. The jurisdictional separations process itself has two parts. First, incumbent LECs assign regulated costs to various categories of plant and expenses. In certain instances, costs are further disaggregated among service categories. Second, the costs in each category are apportioned between the intrastate and interstate jurisdictions. These jurisdictional apportionments of categorized costs are based upon either a relative use factor, a fixed allocator, or, when specifically allowed in the part 36 rules, by direct assignment.

4. The statute requires the Commission to refer to the Federal-State Joint Board on Jurisdictional Separations (Joint Board) any proceeding regarding "the jurisdictional separations of common carrier property and expenses between interstate and intrastate operations" that the Commission institutes pursuant to a notice of proposed rulemaking. In 1997, the Commission initiated a proceeding seeking comment on the extent to which legislative, technological, and market changes warranted comprehensive reform of the separations process. The Commission also invited the State

Members of the Joint Board to develop a report that would identify additional issues that should be addressed by the Commission in its comprehensive separations reform effort. The State Members filed a report setting forth additional issues that they believed should be addressed by the Joint Board and proposing an interim freeze, among other things, to reduce the impact of changes in telephone usage patterns and resulting cost shifts from year to year. The Commission noted that the current network infrastructure was vastly different from the network and services used to define the cost categories appearing in the Commission's Part 36 rules.

5. On July 21, 2000, the Joint Board issued its 2000 Separations Recommended Decision, recommending that, until comprehensive reform could be achieved, the Commission: (i) freeze Part 36 category relationships and jurisdictional allocation factors for incumbent LECs subject to price cap regulation (price cap incumbent LECs); and (ii) freeze the allocation factors for incumbent LECs subject to rate-of-return regulation (rate-of-return incumbent LECs). In the 2001 Separations Freeze Order, the Commission generally adopted the Joint Board's recommendation. The Commission concluded that the freeze would provide stability and regulatory certainty for incumbent LECs by minimizing any impacts on separations results that might occur due to circumstances not contemplated by the Commission's Part 36 rules, such as growth in local competition and new technologies. Further, the Commission found that a freeze of the separations process would reduce regulatory burdens on incumbent LECs during the transition from a regulated monopoly to a deregulated, competitive environment in the local telecommunications marketplace. Under the freeze, price cap incumbent LECs calculate: (1) The relationships between categories of investment and expenses within part 32 accounts; and (2) the jurisdictional allocation factors, as of a specific point in time, and then lock or "freeze" those category relationships and allocation factors in place for a set period of time. The carriers use the "frozen" category relationships and allocation factors for their calculations of separations results and therefore are not required to conduct separations studies for the duration of the freeze. Rate-of-return incumbent LECs are only required to freeze their allocation factors, but were given the option of also freezing their

category relationships at the outset of the freeze.

6. The Commission ordered that the freeze would be in effect for a five-year period beginning July 1, 2001, or until the Commission completed comprehensive separations reform, whichever came first. In addition, the Commission stated that, prior to the expiration of the separations freeze, the Commission would, in consultation with the Joint Board, determine whether the freeze period should be extended. The Commission further stated that any decision to extend the freeze beyond the five-year period in the 2001 Separations Freeze Order would be based "upon whether, and to what extent, comprehensive reform of separations has been undertaken by that time."

7. On May 16, 2006, in the 2006 Separations Freeze Extension and Further Notice, 71 FR 29882, the Commission extended the freeze for three years or until comprehensive reform could be completed, whichever came first. The Commission concluded that extending the freeze would provide stability to LECs that must comply with the Commission's jurisdictional separations rules pending further Commission action to reform the part 36 rules, and that more time was needed to study comprehensive reform. The freeze was subsequently extended by one year in 2009, 2010, and 2011 and by two years in 2012.

8. When it extended the freeze in 2009, the Commission referred a number of issues to the Joint Board and asked the Joint Board to prepare a recommended decision. The Commission asked the Joint Board to consider comprehensive jurisdictional separations reform, as well as an interim adjustment of the current jurisdictional separations freeze, and whether, how, and when the Commission's jurisdictional separations rules should be modified. On March 30, 2010, the State Members of the Joint Board released a proposal for interim and comprehensive separations reform. The Joint Board sought comment on the proposal. On September 24, 2010, the Joint Board held a roundtable meeting with consumer groups, industry representatives, and state regulators to discuss interim and comprehensive jurisdictional separations reform. The Joint Board staff conducted an extensive analysis of various approaches to separations reform, and the Joint Board is evaluating that analysis.

9. In addition, in 2011, the Commission comprehensively reformed the universal service and intercarrier compensation systems and proposed additional reforms. The Joint Board is

considering the impact of the reforms proposed by the USF/ICC Transformation Order and any subsequent changes on its analysis of the various approaches to separations reform. On March 27, 2014, the Commission sought comment on extending the freeze once more.

### III. Extending the Freeze

10. We extend through June 30, 2017, the freeze on part 36 category relationships and jurisdictional cost allocation factors that the Commission adopted in the 2001 Separations Freeze Order. As a result, price cap carriers will use the same relationships between categories of investment and expenses within Part 32 accounts and the same jurisdictional allocation factors that have been in place since the inception of the current freeze on July 1, 2001; rate-of-return carriers will use the same frozen jurisdictional allocation factors, and will (absent a waiver) use the same frozen category relationships if they had opted in 2001 to freeze those.

11. We conclude that extending the freeze will provide stability to carriers that must comply with the Commission's jurisdictional separations rules while the Joint Board continues its analysis of the jurisdictional separations process. The majority of commenters support extending the freeze for at least three years. Significantly, the State Members of the Federal-State Board on Jurisdictional Separations agree with the proposed extension, "based upon our understanding that under the Commission's orders on various forbearance petitions, the States retain the ability to adopt any reasonable allocation of costs between the intrastate and interstate jurisdictions for State ratemaking and other purposes."

12. NASUCA asserts that extending the freeze, rather than substantively reforming the separations rules, is not in the public interest. Although NASUCA does not support the freeze, per se, it does not advocate for returning to pre-freeze regulations, which would be the consequence of permitting the freeze to expire before new separations rules are in effect. The Joint Board is considering comprehensive separations reform. We find that an extension of the freeze is necessary in the interim to avoid regulatory instability and substantial administrative burdens on carriers. If the Commission allowed the earlier separations rules to return to force, carriers would be required to reinstitute their former separations processes even though many carriers no longer have the necessary employees and systems in place to comply with the old jurisdictional separations process and

likely would have to hire or reassign and train employees and redevelop systems for collecting and analyzing the data necessary to perform separations in the prior manner. To require carriers to reinstitute their separations systems "would be unduly burdensome when there is a significant likelihood that there would be no lasting benefit to doing so." Therefore, we find that a three-year extension is appropriate.

13. The Small Company Coalition recommends a longer extension, until the transition to bill and keep for terminating access is complete, in July 2020. USTelecom recommends an indefinite extension of the freeze, arguing that separations requirements are increasingly irrelevant, and GVNW argues for an unspecified longer extension. We decline to extend the freeze for more than three years, because the Joint Board may recommend specific reforms and the Commission may be able to substantively address separations rule reform well before the bill and keep transition is complete.

14. Pioneer Telephone Cooperative, which has requested a waiver of its cost category relationship freeze, expresses concern that the grant of the freeze extension without simultaneously granting Pioneer's waiver will only perpetuate the misallocation of its expenses and investment. As explained above, we conclude that allowing the freeze to expire would create unnecessary burdens and disruption for carriers. The decision to extend the freeze does not affect the Commission's ability to address pending or future waiver petitions.

15. In the 2014 Separations Freeze Extension FNPRM, we also sought comment on whether to open a filing "window" for rate-of-return incumbent LECs to file waiver requests to unfreeze their jurisdictional separations category relationships. We do not address that in this Order.

### IV. Severability

16. All of the rules that are adopted in this Order are designed to work in unison to ensure just, reasonable, and fair regulation of jurisdictional separations. However, each of the reforms we undertake in this order serves a particular function toward this goal. Therefore, it is our intent that each of the rules adopted herein shall be severable. If any of the rules are declared invalid or unenforceable for any reason, it is our intent that the remaining rules shall remain in full force and effect.

### V. Procedural Matters

#### A. Final Regulatory Flexibility Certification

17. The Regulatory Flexibility Act of 1980, as amended (RFA), requires that a regulatory flexibility analysis be prepared for notice-and-comment rulemaking proceedings, unless the agency certifies that "the rule will not, if promulgated, have a significant economic impact on a substantial number of small entities." The RFA generally defines the term "small entity" as having the same meaning as the terms "small business," "small organization," and "small governmental jurisdiction." In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act. A "small business concern" is one that: (1) Is independently owned and operated; (2) is not dominant in its field of operation; and (3) satisfies any additional criteria established by the Small Business Administration (SBA).

18. As discussed above, in 2001 the Commission adopted a Joint Board recommendation to impose an interim freeze of the part 36 category relationships and jurisdictional cost allocation factors, pending comprehensive reform of the part 36 separations rules. The Commission ordered that the freeze would be in effect for a five-year period beginning July 1, 2001, or until the Commission completed comprehensive separations reform, whichever came first. On May 16, 2006, concluding that more time was needed to implement comprehensive separations reform, the Commission extended the freeze for three years or until such comprehensive reform could be completed, whichever came first. On May 15, 2009, the Commission extended the freeze through June 30, 2010, on May 24, 2010, extended the freeze through June 30, 2011, on May 3, 2011, extended the freeze through June 30, 2012, and on May 8, 2012, extended the freeze through June 30, 2104.

19. The purpose of the current extension of the freeze is to allow the Commission and the Joint Board additional time to consider changes that may need to be made to the separations process in light of changes in the law, technology, and market structure of the telecommunications industry without creating the undue instability and administrative burdens that would occur were the Commission to eliminate the freeze.

20. Implementation of the freeze extension will ease the administrative burden of regulatory compliance for LECs, including small incumbent LECs.

The freeze has eliminated the need for all incumbent LECs, including incumbent LECs with 1500 employees or fewer, to complete certain annual studies formerly required by the Commission's rules. The effect of the freeze extension is to reduce a regulatory compliance burden for small incumbent LECs, by abating the aforementioned separations studies and providing these carriers with greater regulatory certainty. Therefore, we certify that the requirement of the report and order will not have a significant economic impact on a substantial number of small entities.

21. The Commission will send a copy of the report and order, including a copy of this Final Regulatory Flexibility Certification, in a report to Congress pursuant to the Congressional Review Act. In addition, the report and order and this final certification will be sent to the Chief Counsel for Advocacy of the SBA, and will be published in the **Federal Register**.

#### B. Paperwork Reduction Act Analysis

22. This Report and Order does not contain new, modified, or proposed information collections subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. In addition, therefore, it does not contain any new, modified, or proposed information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4).

#### C. Congressional Review Act

23. The Commission will send a copy of this Report and Order in a report to be sent to Congress and the Government Accountability Office pursuant to the Congressional Review Act.

#### D. Effective Date

24. We find good cause to make these rule changes effective immediately upon publication in the **Federal Register**. As explained above, the current freeze is scheduled to expire on June 30, 2014. To avoid unnecessary disruption to carriers subject to these rules, we preserve the status quo by making the extension of the freeze effective before the scheduled expiration date.

#### E. Federal Rules That May Duplicate, Overlap, or Conflict With the Proposed Rules

25. None.

### VI. Ordering Clauses

26. Accordingly, *it is ordered*, pursuant to sections 1, 2, 4(i), 201-05, 215, 218, 220, and 410 of the

Communications Act of 1934, as amended, 47 U.S.C. 151, 152, 154(i), 201-205, 215, 218, 220, and 410, that this Report and Order is *adopted*.

27. *It is further ordered* that the Commission's Consumer and Governmental Affairs Bureau, Reference Information Center, *shall send* a copy of this Report and Order, including the Final Regulatory Flexibility Certification, to the Chief Counsel for Advocacy of the Small Business Administration.

28. *It is further ordered*, pursuant to section 553(d)(3) of the Administrative Procedure Act, 5 U.S.C. 553(d)(3), and sections 1.4(b)(1) and 1.427(b) of the Commission's rules, 47 CFR 1.4(b)(1), 1.427(b), that this Report and Order *shall be effective* on the date of publication in the **Federal Register**.

#### List of Subjects in 47 CFR Part 36

Jurisdictional separations procedures, Telecommunications.

Federal Communications Commission.

**Marlene H. Dortch**,  
Secretary.

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 36 as follows:

#### **PART 36—JURISDICTIONAL SEPARATIONS PROCEDURES; STANDARD PROCEDURES FOR SEPARATING TELECOMMUNICATIONS PROPERTY COSTS, REVENUES, EXPENSES, TAXES AND RESERVES FOR TELECOMMUNICATIONS COMPANIES**

■ 1. The authority citation for part 36 continues to read as follows:

**Authority:** 47 U.S.C. Secs. 151, 154(i) and (j), 205, 221(c), 254, 403, —, 410, and 1302 unless otherwise noted.

#### **Subpart A—General**

■ 2. Amend § 36.3 by revising paragraphs (a), (b), (c), (d) introductory text, and (e) to read as follows:

#### **§ 36.3 Freezing of jurisdictional separations category relationships and/or allocation factors.**

(a) Effective July 1, 2001, through June 30, 2017, all local exchange carriers subject to part 36 rules shall apportion costs to the jurisdictions using their study area and/or exchange specific jurisdictional allocation factors calculated during the twelve month period ending December 31, 2000, for each of the categories/sub-categories as specified herein. Direct assignment of private line service costs between jurisdictions shall be updated annually.

Other direct assignment of investment, expenses, revenues or taxes between jurisdictions shall be updated annually. Local exchange carriers that invest in telecommunications plant categories during the period July 1, 2001, through June 30, 2017, for which it had no separations allocation factors for the twelve month period ending December 31, 2000, shall apportion that investment among the jurisdictions in accordance with the separations procedures in effect as of December 31, 2000 for the duration of the freeze.

(b) Effective July 1, 2001, through June 30, 2017, local exchange carriers subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign costs from the part 32 accounts to the separations categories/sub-categories, as specified herein, based on the percentage relationships of the categorized/sub-categorized costs to their associated part 32 accounts for the twelve month period ending December 31, 2000. If a part 32 account for separations purposes is categorized into more than one category, the percentage relationship among the categories shall be utilized as well. Local exchange carriers that invest in types of telecommunications plant during the period July 1, 2001, through June 30, 2017, for which it had no separations category investment for the twelve month period ending December 31, 2000, shall assign such investment to separations categories in accordance with the separations procedures in effect as of December 31, 2000. Local exchange carriers not subject to price cap regulation, pursuant to § 61.41 of this chapter, may elect to be subject to the provisions of paragraph (b) of this section. Such election must be made prior to July 1, 2001. Local exchange carriers electing to become subject to paragraph (b) shall not be eligible to withdraw from such regulation for the duration of the freeze. Local exchange carriers participating in Association tariffs, pursuant to § 69.601 et seq., shall notify the Association prior to July 1, 2001, of such intent to be subject to the provisions of paragraph (b). Local exchange carriers not participating in Association tariffs shall notify the Commission prior to July 1, 2001, of such intent to be subject to the provisions of paragraph (b).

(c) Effective July 1, 2001, through June 30, 2017, any local exchange carrier that sells or otherwise transfers exchanges, or parts thereof, to another carrier's study area shall continue to utilize the factors and, if applicable, category relationships as specified in paragraphs (a) and (b) of this section.

(d) Effective July 1, 2001, through June 30, 2017, any local exchange carrier that buys or otherwise acquires exchanges or part thereof, shall calculate new, composite factors and, if applicable, category relationships based on a weighted average of both the seller's and purchaser's factors and category relationships calculated pursuant to paragraphs (a) and (b) of this section. This weighted average should be based on the number of access lines currently being served by the acquiring carrier and the number of access lines in the acquired exchanges.

(e) Any local exchange carrier study area converting from average schedule company status, as defined in § 69.605(c) of this chapter, to cost company status during the period July 1, 2001, through June 30, 2017, shall, for the first twelve months subsequent to conversion categorize the telecommunications plant and expenses and develop separations allocation factors in accordance with the separations procedures in effect as of December 31, 2000. Effective July 1, 2001 through June 30, 2017, such companies shall utilize the separations allocation factors and account categorization subject to the requirements of paragraphs (a) and (b) of this section based on the category relationships and allocation factors for the twelve months subsequent to the conversion to cost company status.

**Subpart B—Telecommunications Property**

**Central Office Equipment**

■ 3. Amend § 36.123 by revising paragraphs (a)(5) and (6) to read as follows:

**§ 36.123 Operator systems equipment—Category 1.**

(a) \* \* \*  
(5) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balance of Account 2220, Operator Systems, to the categories/subcategories, as specified in paragraph (a)(1) of this section, based on the relative percentage assignment of the average balance of Account 2220 to these categories/subcategories during the twelve month period ending December 31, 2000.

(6) Effective July 1, 2001 through June 30, 2017, all study areas shall apportion the costs assigned to the categories/subcategories, as specified in paragraph (a)(1) of this section, among the jurisdictions using the relative use measurements for the twelve month

period ending December 31, 2000 for each of the categories/subcategories specified in paragraphs (b) through (e) of this section.

\* \* \* \* \*

■ 4. Amend § 36.124 by revising paragraphs (c) and (d) to read as follows:

**§ 36.124 Tandem switching equipment—Category 2.**

\* \* \* \* \*

(c) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balances of Accounts 2210, 2211, and 2212 to Category 2, Tandem Switching Equipment based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212, and 2215 to Category 2, Tandem Switching Equipment during the twelve month period ending December 31, 2000.

(d) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion costs in Category 2, Tandem Switching Equipment, among the jurisdictions using the relative number of study area minutes of use, as specified in paragraph (b) of this section, for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 2 Tandem Switching Equipment between jurisdictions shall be updated annually.

■ 5. Amend § 36.125 by revising paragraphs (h), (i), and (j) to read as follows:

**§ 36.125 Local switching equipment—Category 3.**

\* \* \* \* \*

(h) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balances of Accounts 2210, 2211, and 2212 to Category 3, Local Switching Equipment, based on the relative percentage assignment of the average balances of Account 2210, 2211, 2212 and 2215 to Category 3, during the twelve month period ending December 31, 2000.

(i) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion costs in Category 3, Local Switching Equipment, among the jurisdictions using relative dial equipment minutes of use for the twelve month period ending December 31, 2000.

(j) If the number of a study area's access lines increases such that, under paragraph (f) of this section, the weighted interstate DEM factor for 1997 or any successive year would be reduced, that lowered weighted

interstate DEM factor shall be applied to the study area's 1996 unweighted interstate DEM factor to derive a new local switching support factor. If the number of a study area's access lines decreases or has decreased such that, under paragraph (f) of this section, the weighted interstate DEM factor for 2010 or any successive year would be raised, that higher weighted interstate DEM factor shall be applied to the study area's 1996 unweighted interstate DEM factor to derive a new local switching support factor.

■ 6. Amend § 36.126 by adding paragraph (b)(6) and revising paragraphs (c)(4), (e)(4), and (f)(2) to read as follows:

**§ 36.126 Circuit equipment—Category 4.**

\* \* \* \* \*

(b) \* \* \*

(6) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balances of Accounts 2230 through 2232 to the categories/subcategories as specified in paragraphs (b)(1) through (4) of this section based on the relative percentage assignment of the average balances of Accounts 2230 through 2232 costs to these categories/subcategories during the twelve month period ending December 31, 2000.

(c) \* \* \*

(4) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion costs in the categories/subcategories, as specified in paragraphs (b)(1) through (4) of this section, among the jurisdictions using the relative use measurements or factors, as specified in paragraphs (c)(1) through (3) of this section for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.1 Exchange Circuit Equipment to the jurisdictions shall be updated annually.

\* \* \* \* \*

(e) \* \* \*

(4) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion costs in the categories/subcategories specified in paragraphs (e)(1) through (3) of this section among the jurisdictions using relative use measurements or factors, as specified in paragraphs (e)(1) through (3) for the twelve month period ending December 31, 2000. Direct assignment of any subcategory of Category 4.2 Interexchange Circuit Equipment to the jurisdictions shall be updated annually.

(f) \* \* \*

(2) Effective July 1, 2001, through June 30, 2017, all study areas shall

apportion costs in the subcategory specified in paragraph (f)(1) of this section among the jurisdictions using the allocation factor, as specified in paragraph (f)(1)(i) of this section, for this subcategory for the twelve month period ending December 31, 2000. Direct assignment of any Category 4.3 Host/Remote Message Circuit Equipment to the jurisdictions shall be updated annually.

#### Information Origination/Termination Expenses

■ 7. Amend § 36.141 by revising paragraph (c) to read as follows:

##### § 36.141 General.

\* \* \* \* \*

(c) Effective July 1, 2001, through June 30, 2017, local exchange carriers subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balance of Account 2310 to the categories, as specified in paragraph (b) of this section, based on the relative percentage assignment of the average balance of Account 2310 to these categories during the twelve month period ending December 31, 2000.

■ 8. Amend § 36.142 by revising paragraph (c) to read as follows:

##### § 36.142 Categories and apportionment procedures.

\* \* \* \* \*

(c) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion costs in the categories, as specified in § 36.141(b), among the jurisdictions using the relative use measurements or factors, as specified in paragraph (a) of this section, for the twelve month period ending December 31, 2000. Direct assignment of any category of Information Origination/Termination Equipment to the jurisdictions shall be updated annually.

#### Cable and Wire Facilities

■ 9. Amend § 36.152 by revising paragraph (d) to read as follows:

##### § 36.152 Categories of Cable and Wire Facilities (C&WF).

\* \* \* \* \*

(d) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the average balance of Account 2410 to the categories/subcategories, as specified in paragraph (a) through (c) of this section based on the relative percentage assignment of the average balance of Account 2410 to these categories/subcategories during the twelve month period ending December 31, 2000.

■ 10. Amend § 36.154 by revising paragraph (g) to read as follows:

##### § 36.154 Exchange Line Cable and Wire Facilities (C&WF)—Category 1—apportionment procedures.

(g) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Subcategory 1.3 Exchange Line C&WF among the jurisdictions as specified in paragraph (c) of this section. Direct assignment of subcategory Categories 1.1 and 1.2 Exchange Line C&WF to the jurisdictions shall be updated annually as specified in paragraph (b) of this section.

■ 11. Amend § 36.155 by revising paragraph (b) to read as follows:

##### § 36.155 Wideband and exchange trunk (C&WF)—Category 2—apportionment procedures.

\* \* \* \* \*

(b) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Category 2 Wideband and exchange trunk C&WF among the jurisdictions using the relative number of minutes of use, as specified in paragraph (a) of this section, for the twelve-month period ending December 31, 2000. Direct assignment of any Category 2 equipment to the jurisdictions shall be updated annually.

■ 12. Amend § 36.156 by revising paragraph (c) to read as follows:

##### § 36.156 Interexchange Cable and Wire Facilities (C&WF)—Category 3—apportionment procedures.

\* \* \* \* \*

(c) Effective July 1, 2001, through June 30, 2017, all study areas shall directly assign Category 3 Interexchange Cable and Wire Facilities C&WF where feasible. All study areas shall apportion the non-directly assigned costs in Category 3 equipment to the jurisdictions using the relative use measurements, as specified in paragraph (b) of this section, during the twelve-month period ending December 31, 2000.

■ 13. Amend § 36.157 by revising paragraph (b) to read as follows:

##### § 36.157 Host/remote message Cable and Wire Facilities (C&WF)—Category 4—apportionment procedures.

\* \* \* \* \*

(b) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Category 4 Host/Remote message Cable and Wire Facilities C&WF among the jurisdictions using the relative number of study area minutes-of-use kilometers applicable to such facilities, as specified in paragraph (a)(1) of this section, for the twelve month period ending December 31, 2000.

Direct assignment of any Category 4 equipment to the jurisdictions shall be updated annually.

#### Equal Access Equipment

■ 14. Amend § 36.191 by revising paragraph (d) to read as follows:

##### § 36.191 Equal access equipment.

\* \* \* \* \*

(d) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Equal Access Equipment, as specified in paragraph (a) of this section, among the jurisdictions using the relative state and interstate equal access traffic, as specified in paragraph (c) of this section, for the twelve month period ending December 31, 2000.

#### Subpart C—Operating Revenues and Certain Income Accounts Operating Revenues

■ 15. Amend § 36.212 by revising paragraph (c) to read as follows:

##### § 36.212 Basic local services revenue—Account 5000 (Class B telephone companies); Basic area revenue—Account 5001 (Class A telephone companies).

\* \* \* \* \*

(c) Wideband Message Service revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of minutes-of-use in the study area. Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Wideband Message Service revenues among the jurisdictions using the relative number of minutes of use for the twelve-month period ending December 31, 2000.

\* \* \* \* \*

■ 16. Amend § 36.214 by revising paragraph (a) to read as follows:

##### § 36.214 Long distance message revenue—Account 5100.

(a) Wideband message service revenues from monthly and miscellaneous charges, service connections, move and change charges, are apportioned between state and interstate operations on the basis of the relative number of minutes-of-use in the study area. Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Wideband Message Service revenues among the jurisdictions using the relative number of minutes of use for the twelve-month period ending December 31, 2000.

\* \* \* \* \*

## Subpart D—Operating Expenses and Taxes

### Customer Operations Expenses

- 17. Revise § 36.372 to read as follows:

**§ 36.372 Marketing—Account 6610 (Class B telephone companies); Accounts 6611 and 6613 (Class A telephone companies).**

The expenses in this account are apportioned among the operations on the basis of an analysis of current billing for a representative period, excluding current billing on behalf of others and billing in connection with intercompany settlements. Effective July 1, 2001, through June 30, 2017, all study areas shall apportion expenses in this account among the jurisdictions using the analysis during the twelve-month period ending December 31, 2000.

- 18. Amend § 36.374 by revising paragraphs (b) and (d) to read as follows:

**§ 36.374 Telephone-operator-services.**

\* \* \* \* \*

(b) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Telephone operator expense classification based on the relative percentage assignment of the balance of Account 6620 to this classification during the twelve month period ending December 31, 2000.

\* \* \* \* \*

(d) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Telephone operator expenses among the jurisdictions using the relative number of weighted standard work seconds, as specified in paragraph (c) of this section, during the twelve-month period ending December 31, 2000.

- 19. Amend § 36.375 by revising paragraphs (b)(4) and (5) to read as follows:

**§ 36.375 Published directory listing.**

\* \* \* \* \*

(b) \* \* \*

(4) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the classifications, as specified in paragraphs (b)(1) through (4) of this section, based on the relative percentage assignment of the balance of Account 6620 to these classifications during the twelve month period ending December 31, 2000.

(5) Effective July 1, 2001, through June 30, 2017, all study areas shall

apportion Published directory listing expenses using the underlying relative use measurements, as specified in paragraphs (b)(1) through (4) of this section, during the twelve-month period ending December 31, 2000. Direct assignment of any Publishing directory listing expense to the jurisdictions shall be updated annually.

- 20. Amend § 36.377 by revising paragraphs (a) introductory text, (a)(1)(ix), (a)(2)(vii), (a)(3)(vii), (a)(4)(vii), (a)(5)(vii), and (a)(6)(vii) to read as follows:

**§ 36.377 Category 1—Local business office expense.**

(a) The expense in this category for the area under study is first segregated on the basis of an analysis of job functions into the following subcategories: End user service order processing; end user payment and collection; end user billing inquiry; interexchange carrier service order processing; interexchange carrier payment and collection; interexchange carrier billing inquiry; and coin collection and administration. Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in this paragraph (a), based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000.

(1) \* \* \*

(ix) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the categories/subcategories, as specified in paragraphs (a)(1)(i) through (viii) of this section, based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. Effective July 1, 2001, through June 30, 2017, all study areas shall apportion TWX service order processing expense, as specified in paragraph (a)(1)(viii) of this section among the jurisdictions using relative billed TWX revenues for the twelve-month period ending December 31, 2000. All other subcategories of End-user service order processing expense, as specified in paragraphs (a)(1)(i) through (viii) shall be directly assigned.

(2) \* \* \*

(vii) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance

of Account 6620-Services to the subcategories, as specified in paragraphs (a)(2)(i) through (vi) of this section, based on the relative percentage assignment of the balance of Account 6620 to these categories/subcategories during the twelve month period ending December 31, 2000. All other subcategories of End User payment and collection expense, as specified in paragraphs (a)(2)(i) through (v) of this section, shall be directly assigned.

(3) \* \* \*

(vi) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in paragraphs (a)(3)(i) through (vi) of this section, based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All other subcategories of End user billing inquiry expense, as specified in paragraphs (a)(2)(i) through (vi) shall be directly assigned.

(4) \* \* \*

(vii) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in paragraphs (a)(4)(i) through (vi) of this section, based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier service order processing expense, as specified in paragraphs (a)(2)(i) through (vi), shall be directly assigned.

(5) \* \* \*

(vii) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in paragraphs (a)(5)(i) through (vi) of this section, based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier payment expense, as specified in paragraphs (a)(2)(i) through (vi) shall be directly assigned.

(6) \* \* \*

(vii) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in paragraphs (a)(6)(i) through (vi) of this section,

based on the relative percentage assignment of the balance of Account 6620 to these subcategories during the twelve month period ending December 31, 2000. All subcategories of Interexchange carrier billing inquiry expense, as specified in paragraphs (a)(2)(i) through (vi), shall be directly assigned.

\* \* \* \*

■ 21. Amend § 36.378 by revising paragraph (b)(1) to read as follows:

**§ 36.378 Category 2—Customer services (revenue accounting).**

\* \* \* \*

(b) \* \* \*

(1) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the classifications, as specified in paragraph (b) of this section, based on the relative percentage assignment of the balance of Account 6620 to those classifications during the twelve month period ending December 31, 2000.

\* \* \* \*

■ 22. Amend § 36.379 by revising paragraphs (b)(1) and (2) to read as follows:

**§ 36.379 Message processing expense.**

\* \* \* \*

(b) \* \* \*

(1) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the subcategories, as specified in this paragraph (b), based on the relative percentage assignment of the balance of Account 6620 to those subcategories during the twelve month period ending December 31, 2000.

(2) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Toll Ticketing Processing Expense among the jurisdictions using the relative number of toll messages for the twelve-month period ending December 31, 2000. Local Message Process Expense is assigned to the state jurisdiction.

■ 23. Amend § 36.380 by revising paragraphs (d) and (e) to read as follows:

**§ 36.380 Other billing and collecting expense.**

\* \* \* \*

(d) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Other billing and collecting expense

classification based on the relative percentage assignment of the balance of Account 6620 to those subcategory during the twelve month period ending December 31, 2000.

(e) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Other billing and collecting expense among the jurisdictions using the allocation factor utilized, pursuant to paragraph (b) or (c) of this section, for the twelve month period ending December 31, 2000.

■ 24. Amend § 36.381 by revising paragraphs (c) and (d) to read as follows:

**§ 36.381 Carrier access charge billing and collecting expense.**

\* \* \* \*

(c) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to the Carrier access charge billing and collecting expense classification based on the relative percentage assignment of the balance of Account 6620 to that classification during the twelve month period ending December 31, 2000.

(d) Effective July 1, 2001, through June 30, 2017, all study areas shall apportion Carrier access charge billing and collecting expense among the jurisdictions using the allocation factor, pursuant to paragraph (b) of this section, for the twelve-month period ending December 31, 2000.

\* \* \* \*

■ 25. Amend § 36.382 by revising paragraph (a) to read as follows:

**§ 36.382 Category 3—All other customer services expense.**

(a) Effective July 1, 2001, through June 30, 2017, study areas subject to price cap regulation, pursuant to § 61.41 of this chapter, shall assign the balance of Account 6620-Services to this category based on the relative percentage assignment of the balance of Account 6620 to this category during the twelve month period ending December 31, 2000.

\* \* \* \*

[FR Doc. 2014-14864 Filed 6-25-14; 8:45 am]

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**DEPARTMENT OF COMMERCE**

**National Oceanic and Atmospheric Administration**

**50 CFR Part 660**

[Docket No. 121210694-3514-02]

RIN 0648-XD238

**Fisheries Off West Coast States; Coastal Pelagic Species Fisheries; Closure**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.

**ACTION:** Temporary rule; closure.

**SUMMARY:** Through this action NMFS is prohibiting directed fishing for Pacific sardine off the coasts of Washington, Oregon and California. This action is necessary because the non-tribal directed harvest allocation total of 5,446 mt for the interim harvest period of January 1, 2014, through June 30, 2014, has been projected to have been reached. From the effective date of this rule until July 1, 2014, Pacific sardine may be harvested only as part of either the live bait or tribal fishery or incidental to other fisheries; the incidental harvest of Pacific sardine is limited to 40-percent by weight of all fish per trip. Fishing vessels must cease fishing [be at shore and in the process of offloading] at or before the effective date of this closure.

**DATES:** Effective 12:01 a.m. Pacific Daylight Time (PDT) June 25, 2014 through 11:59 p.m., June 30, 2014.

**FOR FURTHER INFORMATION CONTACT:** Joshua Lindsay, West Coast Region, NMFS, (562) 980-4034.

**SUPPLEMENTARY INFORMATION:** This document announces that based on the best available information recently obtained from the fishery and information on past fishing effort, the non-tribal directed fishing harvest allocation for the interim 2014 harvest period of January 1, 2014, through June 30, 2014, will be reached and therefore directed fishing for Pacific sardine is being closed until the new fishing season starts on July 1, 2014. Fishing vessels must cease fishing [be at shore and in the process of offloading] at or before the effective date of this closure. From the effectiveness of this closure, through June 30, 2014, Pacific sardine may be harvested only as part of either the live bait or tribal fishery or incidental to other fisheries, with the incidental harvest of Pacific sardine limited to 40-percent by weight of all fish caught during a trip.